



DATE: June 1, 2009

TO: Commissioner Bill Bird  
Commissioner Greg Drees  
Commissioner Richard Francisco  
Commissioner Elizabeth Garst  
Commissioner Tammi Kircher  
Commissioner Carol Kramer  
Commissioner Janelle Rettig

FROM: Michelle Wilson, Project Manager, Honey Creek Resort State Park (RSP)

RE: Honey Creek Resort State Park April 2009 Operation Income Statements and Construction Update

Enclosed you will find Central Group Companies Inc's operations income statement for the month of April 2009 as received by the Department on May 29, 2009.

#### **Food and Beverage**

In April, Central Group Companies Inc. reported that there were 6,204 covers served, down from 9,850 covers in March but higher than budgeted. According to the pro forma, food expenses still continue to exceed budget year-to-date.

#### **Occupancy**

##### **April 2009**

	<b>Iowa Market</b>	<b>Regional Market</b>	<b>Honey Creek RSP</b>	<b>FY09 Pro Forma</b>
<b>Occupancy</b>	48.7%	35.1%	32.6%	45%
<b>Average Daily Rate</b>	\$68.30	\$109.41	\$87.38	\$97.50

Preliminary reports received from Central Group Companies, Inc. show occupancy for May at 47%, higher than the projected 45% in FY09 pro forma.

#### **Sales and Marketing**

The sales and marketing staff continue to work on specials and events for the spring and are gearing up for the summer season and RAGBRAI. Weddings started in May and will continue virtually every weekend through the summer and into the fall.

The Department has initiated weekly meetings with the marketing staff. We are asking Central Group Companies Inc. to track the return of investment on marketing strategies that they employ.

### **The Preserve**

For April, golf is again under for the month on revenue, but has saved some in expenses. Continued cold and rainy weather in April kept many people away from the course.

### **Construction**

The Hansen Company has completed many of the elements in the hardscape. There remains to be completed the handrails on the steps and the fix for the outdoor fire pit. The marina was operational by Memorial Day weekend and the Hansen Company and their sub still have some fixes to this structure, but it is useable for the public. A portion of the sunken finger is still submerged in the lake, but it is no longer connected to the dock system. Parts for replacement of this part of the dock were to be shipped to the resort the first week in June.

The RV park was open for Memorial Day weekend but the boat ramp was not. We will continue to wait for the lake levels to lower so that we may place the boat ramp as designed. Wicks Construction is completing work on the trails and anticipates completion by the end of June. The day-use area concrete is almost complete. Finish grading and seeding will then take place and upon completion, the playground will be installed.

All but two cabins were available for Memorial Day weekend. Vieco Inc. has to lower the thresholds on the handicap accessible cabins to meet regulation which will be completed by June 5<sup>th</sup>. Once complete, these cabins will be available for use.

**Honey Creek Resort State Park  
Project Budget**

Budget Category		Source of Funds			
		General Honey Creek	MFT	P & I	Total
Non-Construction Expenses					
Pre Bond Expenses from 2002/2003 appropriation		\$ 1,850,000.00			\$ 1,850,000.00
Staff, misc. expenses		\$ 1,050,000.00			\$ 1,050,000.00
Architecture & Engineering		\$ 3,492,729.00			\$ 3,492,729.00
Art Project		\$ 225,000.00			\$ 225,000.00
Legal		\$ 150,000.00			\$ 150,000.00
Preopening Compensation		\$ 958,936.00			\$ 958,936.00
Construction Packages					
Golf Course & Grading		\$ 5,645,961.65	\$ 46,702.61	\$ 1,242,334.03	\$ 6,934,998.29
Golf Buildings		\$ 799,587.00			\$ 799,587.00
Lodge Base Bid	\$ 19,340,000.00				
Approved Change Orders (Including Hardscape)	\$ 1,409,011.00				
Total Lodge Package		\$ 20,749,011.00			\$ 20,749,011.00
Sewer System and Lagoon		\$ 1,421,634.00	\$ 403,361.00		\$ 1,824,995.00
Docks		\$ -	\$ 435,300.00		\$ 435,300.00
Roads and Parking		\$ 1,212,104.10	\$ 757,677.92	\$ 4,614,384.98	\$ 6,584,167.00
Landscaping and Signs		\$ 138,875.00			\$ 138,875.00
Cabins Base Bid	\$ 5,222,000.00				
Alternate 1 - Geothermal	\$ 218,000.00				
Alternate 2 - Concrete pads	\$ 23,100.00				
Total Cabin Package		\$ 5,463,100.00			\$ 5,463,100.00
Activity Building		\$ 350,000.00			\$ 350,000.00
Playground		\$ 200,000.00			\$ 200,000.00
Beach		\$ 200,000.00			\$ 200,000.00
Equipment and Furnishings					
Golf Course Equipment		\$ 588,000.00			\$ 588,000.00
Experience Plan - Interpretation		\$ 50,000.00			\$ 50,000.00
Lodge FFE		\$ 3,116,770.00			\$ 3,116,770.00
Lodge FFE Design		\$ 283,230.00			\$ 283,230.00
Cabin FFE		\$ 700,000.00			\$ 700,000.00
Contingency and Bond Requirements					
Change Orders & Contingency	\$ -				
Change Orders & Contingency - Cabins	\$ -				
Total Change Orders & Contingency		\$ -			\$ -
Operating Reserve Fund		\$ 500,000.00			\$ 500,000.00
Additional Operating Contingency (First Bond Payment due 6/1/09)		\$ 753,743.00			\$ 753,743.00
Total Expenditures		\$ 49,898,680.75	\$ 1,643,041.53	\$ 5,856,719.01	\$ 57,398,441.29
Source of Funds					
Appropriations (pre-FY09)		\$ 5,500,000.00			\$ 5,500,000.00
Appropriations (FY09)		\$ 8,000,000.00			\$ 8,000,000.00
Bond Proceeds		\$ 28,000,000.00			\$ 28,000,000.00
Other (interest)		\$ 1,801,399.83			\$ 1,801,399.83
Appanoose County		\$ 357,250.00			\$ 357,250.00
Monroe County		\$ 357,250.00			\$ 357,250.00
Rathbun Lake Resort, Inc. (RLR)		\$ 1,535,500.00			\$ 1,535,500.00
SWAP/Waste Tire Funds		\$ 200,000.00			\$ 200,000.00
EPA Funds for bioretention		\$ 100,000.00			\$ 100,000.00
FY07 Grow Iowa Values Fund		\$ 1,000,000.00			\$ 1,000,000.00
FY08 Grow Iowa Values Fund		\$ 1,000,000.00			\$ 1,000,000.00
FY09 Grow Iowa Values Fund		\$ 811,000.00			\$ 811,000.00
FY10 Grow Iowa Values Fund (Contingent)		\$ 1,000,000.00			\$ 1,000,000.00
Marine Fuel Tax			\$ 1,643,041.53		\$ 1,643,041.53
Parks & Institutional Roads				\$ 5,856,719.01	\$ 5,856,719.01
Total Funding		\$ 49,662,399.83	\$ 1,643,041.53	\$ 5,856,719.01	\$ 57,162,160.37
Variance		\$ (236,280.92)	\$ -	\$ -	

Expended to Date	Balance Remaining	Total
\$ 1,849,838.00	\$ 162.00	\$ 1,850,000.00
\$ 1,077,535.35	\$ (27,535.35)	\$ 1,050,000.00
\$ 3,238,721.90	\$ 254,007.10	\$ 3,492,729.00
\$ 191,565.00	\$ 33,435.00	\$ 225,000.00
\$ 179,975.30	\$ (29,975.30)	\$ 150,000.00
\$ 993,366.94	\$ (34,430.94)	\$ 958,936.00
\$6,892,498.29	\$ 42,500.00	\$ 6,934,998.29
\$773,145.80	\$ 26,441.20	\$ 799,587.00
\$20,338,467.91	\$ 410,543.09	\$ 20,749,011.00
\$1,198,966.77	\$ 626,028.23	\$ 1,824,995.00
\$327,203.00	\$ 108,097.00	\$ 435,300.00
\$6,043,469.07	\$ 540,697.93	\$ 6,584,167.00
\$56,792.42	\$ 82,082.58	\$ 138,875.00
	\$ -	\$ -
\$5,094,093.33	\$ 369,006.67	\$ 5,463,100.00
	\$ 350,000.00	\$ 350,000.00
\$9,557.00	\$ 190,443.00	\$ 200,000.00
	\$ 200,000.00	\$ 200,000.00
\$464,315.40	\$ 123,684.60	\$ 588,000.00
\$30,694.86	\$ 19,305.14	\$ 50,000.00
\$3,025,339.63	\$ 91,430.37	\$ 3,116,770.00
\$268,258.34	\$ 14,971.66	\$ 283,230.00
\$712,513.17	\$ (12,513.17)	\$ 700,000.00
\$141,036.00	\$ 358,964.00	\$ 500,000.00
	\$ 753,743.00	\$ 753,743.00
<b>\$ 52,907,353.48</b>	<b>\$ 4,491,087.81</b>	<b>\$ 57,398,441.29</b>

Source: Budget and Finance Bureau

June 1,2009

**Honey Creek Resort State Park**  
**Project Budget**

Rathbun Regional Water Association	\$928,000
Chariton Valley Electric Cooperative	\$877,170
Iowa Telecom	\$250,000
 Total In-Kind Matching	 \$2,055,170